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FOREIGN SERVICE DESPATCH

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FROM: AMEMBASSY, GUATEMALA

DESP. NO. 460

TO: THE DEPARTMENT OF STATE, WASHINGTON. DATE: November 30, 1953

REF: Embassy Despatch 380, November 3, 1953.

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SUBJECT: GUATEMALAN CONGRESS WASHES SOME DIRTY LINEN IN PUBLIC.

In a further and well-publicized exposure of graft, blackmail, and gangsterism among Guatemalan Administration politicians, the Congress on November 27 erupted into a heated debate in which José Felipe DARDON, a PAR Deputy, sought to defend himself from charges of collecting $5000 from auto parts dealers on the threat of having a bill to limit their profits enacted, and Francisco Fernando FERNANDEZ Foncea drunkenly came to his defense in a rambling speech stating that there were much bigger thieves in Congress and specifically accused Augusto CHARNAUD MacDonald, Minister of the Interior, of acquiring an $80,000 property in the main business section with graft money.

The episode had its origin in stories published in the independent press last week charging an unnamed Deputy with attempting to blackmail dealers in automobile parts by asking for money in exchange for a promise not to press a bill in Congress which would limit their profits to 10%. Under the pressure of this press attack, Guillermo OVANDO Arriola, President of Congress, scheduled a debate in Congress for November 27 to determine what to do about the matter.

It was at this session that Dardón, who had apparently been widely cited as the Deputy involved, rose to defend himself, pleading that the charges were the creation of persons interested in "destroying his political career." He maintained, in synthesis, that a bill he had drawn up to limit parts dealers' profits to 10% had been in good faith and that he had only visited two automobile dealers, one to buy a car for himself and another to buy a truck for a charitable organization. After his exposition Alejandro SILVA Falla, PRG Deputy, proposed the constitution of a Special Investigation Committee to clear the good name of Congress and to determine whether Dardón had attempted blackmail or the parts dealers had attempted to bribe him.

At this point Ovando Arriola (who, incidentally, now has a charge pending against him in court for using a pistol to intimidate a polling place in the recent municipal elections) left the

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President's chair to make a speech on the floor to refute Dardón's charges that an attempt was being made to destroy his political career, stating that when he called the session he had no idea who the Deputy allegedly involved was and that, in fact, he only just learned when Dardón himself acknowledged the charges.

Next, Fernandez Foncea rose from his seat as Second Secretary of Congress to defend Dardón in what, according to reporters' observations, and allusions in other Deputies' speeches, was "a state of inebriation." He said that there were a lot of Deputies around who could only be described as "dirty meddlers," and the majority of Deputies could not be called honorable. There was, for instance, the PRG which was accusing Ovando Arriola, the President of Congress, of being a "gangster" for his part in the municipal elections. Now, he declared over many interruptions, the Deputies were yapping like dogs at someone who had only stolen a loaf of bread and paying no attention to the "great thieves of the revolution" who were enriching themselves at the public treasury to the tune of $100,000 to $200,000. They should name a commission to investigate these and he would have some questions for Charnaud MacDonald: he had acquired a building costing $80,000 on Sixth Avenue (the main business street).

These charges brought a storm of indignation from the Deputies of the PRG, of which Charnaud MacDonald is Secretary General. Silva Falla demanded an investigation into the charges, while Garcia Manzo declared, "These statements of Fernandez Foncea are, for me, those of someone irresponsible. A man in that condition shouldn't even be hit." Their indignation was doubtless heightened by the memory that "Paco" Fernandez had once before drunkenly embarrassed the Administration parties on the floor of Congress last October by declaring that they were all parties destined to form part of the "great World Communist movement" and praising the Communist PGT as the most honest and logical in the country.

The Communist PGT entered the fray with a speech by Carlos Manuel PELLECER who said that there could be no thief in his party, which had even expelled a certain GALEANO for taking 40 cents from the party newspaper, but that Congress was making a mistake to stage such a scandalous spectacle for the benefit of the reactionaries. Fernandez Foncea interrupted to say, "According to you, then, to denounce the vices of the revolution is to play the game of the reaction," to which Pellecer answered, "Drunkenness is also a vice of the revolution and we must avoid coming here to speak in Congress in a condition which does not allow us to understand clearly what is said." Fernandez Foncea then came back with, "Then I believe I understand what Pellecer tried to say: that while our young democracy is being consolidated and strengthened, everyone must be left to steal what he

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wants." Pellecer concluded the exchange with, "It's regrettable that all of us here are not in a condition to understand correctly what is said. What I would say is that the investigation should be made responsibly and not when we are stupified with liquor."

In the end, the Congress elected a Special Committee to investigate the charges against Dardón but declined to look into the affairs of Charnaud MacDonald on the grounds that he was not a member of Congress.

This ugly, but revealing, scene in Congress is the latest of a series of episodes in recent months which have exposed the extent of corruption among Administration politicians and the part that it plays as cementing element in the government coalition. There was the incident in Congress in which Alvaro Hugo SALGUERO, ex-Secretary of Publicity and Propaganda in the Presidency, was accused of forgery to keep two Deputies-elect out of Congress (Embassy Despatch 181, August 26, 1953), and the revelation that three Administration figures had "bought" choice governmental residential properties reportedly worth $12-$25 per square meter for seven cents per square meter (Embassy Despatch 380, November 3, 1953).

FOR THE AMBASSADOR

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